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HOUSE BILL 3361
By Curtiss

SENATE BILL 3340
By Graves

AN ACT to amend Tennessee Code Annotated, Title 3 and Title 56, relative to the costs of health insurance mandates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 10, is amended by adding the following as a new, appropriately designated section:

(a) The title of this act is, and may be cited as, the "Health Insurance Mandated Benefits Review Act".

(b) As used in this section, unless the context otherwise requires:

(1) “Mandated health benefit” means a benefit or coverage that is proposed to be required by law or that is required by law to be offered or provided by a health insurance issuer including, but not limited to, coverage for or the offering of specific health care services, treatments, diagnostic tests or practices; and

(2) “Health insurance issuer” means any entity subject to the insurance laws of this state or subject to the jurisdiction of the department of commerce and insurance that contracts or offers to contract to provide health insurance coverage, including, but not limited to, an insurance company, a health maintenance organization or a non-profit hospital and medical service corporation.

(c) There is established the Tennessee health insurance mandated benefits review council, hereafter referred to as the council. The council shall consist of thirteen (13) members selected as follows:

(1) The comptroller of the treasury, or his designee, who shall be the chair;

(2) The chair or vice chair of the senate commerce, labor and agriculture committee;

(3) The chair or vice chair of the house commerce committee;

(4) The director of the department of finance and administration, division of insurance administration;

(5) One (1) member to be appointed by the speaker of the house who must be a representative of a company that employees ten (10) or fewer employees and who is not associated with health care providers or health insurance issuers;

(6) One (1) member to be appointed by the speaker of the senate who must be a representative of a company that employees ten (10) or fewer employees and who is not associated with health care providers or health insurance issuers;

(7) The commissioner of the department of commerce and insurance, or the commissioner's designee;

(8) The commissioner of the department of health, or the commissioner's designee; and

(9) Five (5) additional members to be appointed by agreement of the members appointed pursuant to subdivisions (1) through (8). These five (5) members must have demonstrated expertise in health insurance and managed care issues:

(A) Two (2) must be representative of the health insurance industry, at least one (1) of whom is a representative of a domestic health insurance issuer;

(B) One (1) must be a representative of the business community, who must be a representative of a company that employs and fully insures more than fifty (50) employees;

(C) One (1) must be a representative of the Tennessee hospital industry; and

(D) One (1) must be a representative of the Tennessee physician community.

(d) Vacancies on the council shall be filled by appointment or selection, as applicable, in the manner of the original appointment or selection. Members appointed pursuant to items (9)(A) and (B) above shall serve terms of three (3) years. Members appointed pursuant to items (9)(C) and (D) above shall serve terms of four (4) years.

(e) The council is authorized to retain staff and professional assistance, such as consultants and actuaries, subject to budgetary approval in the general appropriations act. For administrative purposes, including all matters relating to receipts, disbursements, expense accounts, budget, audit and related items, the council shall be attached to the department of finance and administration. The autonomy of the council and its authority are not affected hereby and the chair shall have no administrative or supervisory control over the council.

(f)

(1) The council may take such actions or exercise any powers granted hereto upon establishing a quorum at any duly constituted meeting of the council. The council may hold public hearings; conduct research; receive the testimony of experts; receive technical assistance from health insurance issuers; review, for purposes of comparison, the mandated health benefits upon health insurance issuers in other states and jurisdictions and the effects of such mandates; and take other actions it determines appropriate for the completion of its assigned tasks. The council may receive pertinent data from health insurance issuers and from advocates of mandated benefits. Notwithstanding the provisions of Tennessee Code Annotated, Title 10, Chapter 7, Part 1, such data will be held as confidential by the council. The council shall inquire into and make recommendations with respect to the costs of:

(A) Each and every state and federally mandated health benefit placed upon health insurance issuers in Tennessee since 1990; and

(B) The impact of each such mandated health benefit on the premiums for health insurance coverage in Tennessee, especially on employees of companies with fewer than fifty (50) employees.

(2) In accordance with the requirements of this section, the council shall make a final report with recommendations to the general assembly no later than January 1, 2006.

(g) As of January 1, 2005, upon the completion of all bill filing deadlines in both the house and senate of each year, legislation containing a mandated health benefit shall be referred to the council in order that it may evaluate the legislation in accordance with this section. The council shall, no later than March 15 of the year in which the legislation is filed, attach to such legislation a statement on the proposed mandated benefit's impact on the premiums for health insurance coverage in Tennessee, especially for employees of companies employing fewer than fifty (50) employees. This impact statement shall be available for the appropriate legislative committee when considering such proposal.

(h) Nothing in this section shall be construed to prohibit any health insurance issuer from voluntarily expanding or eliminating coverage nor to prohibit any individual or employer from electing to expand or eliminate coverage on any health maintenance organization contract or individual or group health insurance policy or contract covering the individual, the employer or employees of the employer, as applicable.

(i) Nothing in this section shall be construed to prohibit amendments to comport with federal law.

(j) The provisions of this section shall not be construed to require any entity regulated pursuant to title 56, to provide information that is considered by that entity to be confidential or proprietary.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it